

141.423 Nonrefundable credit for producer or blender of biodiesel fuel.

- (1) (a) A biodiesel producer or a blender of blended biodiesel shall be entitled to a nonrefundable tax credit against the taxes imposed by KRS 141.020 or 141.040 and KRS 141.0401 in an amount certified by the department under subsection (4) of this section. The credit rate shall be one dollar (\$1) per biodiesel and blended biodiesel gallons unless the total amount of approved credit for all biodiesel producers and blenders exceeds the annual biodiesel tax credit cap. If the total amount of approved credit for all biodiesel producers and blenders exceeds the annual biodiesel tax credit cap, the department shall determine the amount of credit each biodiesel producer and blender receives by multiplying the annual biodiesel tax credit cap by a fraction, the numerator of which is the amount of approved credit for the biodiesel producer and blender and the denominator of which is the total approved credit for all biodiesel producers and blenders.
- (b) The credit allowed under paragraph (a) of this subsection shall be applied both to the income tax imposed under KRS 141.020 or 141.040 and to the limited liability entity tax imposed under KRS 141.0401, with the ordering of credits as provided in KRS 141.0205.
- (2) Re-blending of blended biodiesel shall not qualify for the credit provided under this section.
- (3) The credit shall not be carried forward to a return for any other period.
- (4) Each biodiesel producer and blender eligible for the credit provided under subsection (1) of this section shall file a biodiesel tax credit claim for biodiesel gallons produced or blended in this state on forms prescribed by the department by the fifteenth day of the first month following the close of the preceding calendar year. The department shall determine the amount of the approved credit based on the amount of biodiesel produced or blended in this state during the preceding calendar year and issue a credit certificate to the biodiesel producer or blender by the fifteenth day of the fourth month following the close of the calendar year.
- (5) In the case of a biodiesel producer or blender that has a fiscal year end for purposes of computing the tax imposed by KRS 141.040, the amount of approved credit shall be claimed on the return filed for the first fiscal year ending after the close of the preceding calendar year.

Effective: June 28, 2006

History: Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 33, effective June 28, 2006. -- Created 2005 Ky. Acts ch. 168, sec. 137, effective March 18, 2005.

Legislative Research Commission Note (6/28/2006). 2006 (1st Extra Sess.) Ky. Acts ch. 2, sec. 73, provides that "unless a provision of this Act specifically applies to an earlier tax year, the provisions of this Act shall apply to taxable years beginning on or after January 1, 2007."

Legislative Research Commission Note (3/18/2005). 2005 Ky. Acts ch. 168, sec. 165, provides that this section shall apply to tax years beginning on or after January 1, 2005.

Legislative Research Commission Note (3/18/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to

agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.